

**LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS**

Bill Number: SB 427

51st Legislature, 1st Session, 2013

Tracking Number: .191667.3

Short Title: School & Child Care Medicaid Enrollment

Sponsor(s): Senator Linda M. Lopez

Analyst: Kevin Force

Date: March 1, 2013

Bill Summary:

SB 427 proposes to create new sections of law that would require:

- the Secretary of Public Education to consult with the Human Services Department (HSD) to establish rules that:
 - require students to furnish proof of health insurance coverage before enrolling in school;
 - refer students without proof of coverage to a person authorized to complete a Medicaid application on the student's behalf;
 - provide for automatic referral of a student to a person authorized to complete a Medicaid application on the student's behalf, if the student is enrolled in a federal school nutrition program, and the forwarding of the completed application to HSD; and
 - provide for students referred for a Medicaid application to be given HSD information on presumptive eligibility for Medicaid and the state child's insurance program.
- The Secretary of the Children, Youth and Families Department (CYFD) to consult with HSD to establish rules that:
 - direct licensed child-care facilities to require proof from families of healthcare coverage of each child prior to enrolling in a facility;
 - require families without such proof of coverage to complete an application for state Medicaid eligibility that shall be referred to a person authorized to complete an application on the child's behalf; and
 - provide for families without proof of coverage to be supplied with HSD information on presumptive eligibility for Medicaid and the state child's insurance program.

Fiscal Impact:

SB 427 does not contain an appropriation.

The Fiscal Impact Report (FIR) from the Legislative Finance Committee (LFC) indicates a minimal recurring cost to the General Fund, as well as unnamed federal funds.

Fiscal Issues:

According to the FIR:

- SB 427 helps to strengthen state efforts to enroll eligible children and students into the Medicaid program, which provides physical, dental, and behavioral health services to children of families earning up to 235 percent of poverty (\$54,168 for a family of four).
- The last HSD enrollment report showed 338,787 children enrolled as of October 2013. Enrollment has been stable (between 336,000 and 338,000) since 2011.
- Increasing enrollment outreach as proposed by SB 427 would probably increase enrollment and provide greater access to preventative, as well as acute medical care for children.
- The average monthly cost for Medicaid physical health under managed care is \$266, with almost 70 percent, or \$186, covered by federal funds.

According to HSD, requiring uninsured students and children in licensed child-care facilities to apply for Medicaid would increase children's enrollment in Medicaid, thus impacting the Medicaid budget.

The Public Education Department (PED) and CYFD both note that because SB 427 contains no appropriation, it would place an additional burden on public schools and child-care programs that have limited administrative capability.

According to CYFD:

- Monitoring compliance with the requirements of this bill would require the equivalent of one additional child-care licensing surveyor.
- There are approximately 60,000 children in licensed child-care programs in New Mexico.
- If each child's file is checked to ensure compliance, it would require approximately 2,000 additional hours (at least the equivalent of one FTE licensing surveyor).

Substantive Issues:

According to the HSD:

- Details that remain unclear include:
 - the standards of review for:
 - proof of insurance; and
 - the determination as to whether or not a child is insured;
 - whether the assessment is a one-time process or a requirement to be fulfilled at the beginning of every school year;
 - how the public schools will refer those determined to be uninsured to an "authorized person";
 - how the child-care facilities are to enforce completion of Medicaid applications when a family does not furnish proof of insurance;
 - how child-care facilities would refer Medicaid applications to a person authorized to complete the application on the child's behalf;

- whether school districts and licensed child-care facilities must have on-site public education determiners to accommodate the volume of referrals that may result from these provisions; and
 - how those students enrolled in a federal school nutrition program who do have current health insurance will be exempted from the automatic referral process that shall be applied to students in nutrition programs that do not have current insurance.
- Insurance coverage may fluctuate throughout the year due to such issues as changes in income, divorce, changes in employment status, and the like.
 - SB 247 may affect county Income Support Division (ISD) offices with an increased volume of Medicaid applications during school enrollment periods, potentially creating backlogs.

Technical Issues:

According to HSD and CYFD, the following sentence from the bill (page 2, lines 17-20) lacks clarity and should be considered for revision:

“Families not furnishing proof of health insurance coverage shall complete an application for state Medicaid eligibility that shall be referred to a person authorized to complete a Medicaid application on the child’s behalf.”

LFC offers the potential solution of replacing “that shall be referred” with “or shall be referred,” which would give the family the option to complete the Medicaid application themselves or to go to another authorized person, or an HSD income support office.

According to CYFD and PED, the bill includes no consequences for failure to adhere to its provisions.

Finally, according to PED, “person authorized to complete a Medicaid application” on behalf on a student or child lacks a definition.

Committee Referrals:

SEC/SFC

Related Bills:

- SB 148 *Analysis of Basic Health Program Costs*
- SB 226 *Health Security Act (Identical to HB 262)*
- SB 503a *Expand Medicaid Benefits*
- SB 589 *New Mexico Health Insurance Exchange Act*
- SJM 4 *Monthly Medicaid Benefits Explanations*
- SJM 44 *Study Children Opportunities & Overmedication*
- SJM 46 *Reimbursement of Home & Community-Based Svcs*
- CS/CSHB 168a *NM Health Insurance Exchange Act*
- HB 262 *Health Security Act (Identical to SB 226)*
- HB 311 *Health Coverage Affordability Analysis*
- HB 366 *Health Insurance Requirements*
- HB 374a *Safe Haven for Infants Site Definition*